

SPOTLIGHT OPTION TRADE



Bull Put Spreads into Overblown Earnings Sell-Off in Fintech Leader

TRADE SNAPSHOT

TICKER	PYPL
SECURITY	PayPal Holdings
SECTOR	Financial – Payments
CURRENT PRICE	\$275.50
LONG/SHORT	Long
TARGET	\$270+
STOP	\$260 Alert – Risk Defined
TIMEFRAME	3 Months

Trading Strategy: Sell the PYPL October \$270/\$260 Put Spreads for \$3.75 Credit

Net Debit/Credit: Credit \$3.75

Profitability Zone: PYPL Above \$266.25 on October OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: PYPL is back to a key level for a growth stock, the rising 21-week moving average as well as VWAP from March lows and remains above trend support while retesting a key base breakout from June, so a lot of support for shares in this zone.



Fundamental Analysis: The \$330B payments leader is now trading 46X Earnings, 43X EBITDA and 12.4X EV/Sales with revenues seen rising 20%+ the next three years annually and EBITDA also at 20%+ growth, a top name that continues to generate significant cash flow and ample opportunity for capital allocation. KeyBanc out defending shares this week noting the noisy quarter and seeing a lot of positives in the TPV and Venmo growth numbers. MSCO raised its target to \$340 after the quarter on engagement and acceptance expansion while the EBAY roll-off made the quarter noise and a one-time event. Citi also defended saying to buy PYPL on the EBAY-related selloff as the transition was faster than expected and will be done by Q3.

Options Activity:

Date	Description	Volume	Open Int	Price	Delta	Impl Vo	Prob ITM	Premium Paid	Symbol	Current Price	Current OI	Price Change
8/4/2021	PYPL 100 18 MAR 22 280 CALL	263	182	\$23.70	0.5	31.80%	40.24%	\$625,940	.PYPL220318C280			
8/3/2021	PYPL 100 17 DEC 21 260 PUT	500	0	\$14.90	-0.37	30.99%	44.78%	\$745,000	.PYPL211217P260	\$14.80	501	-0.67%
8/2/2021	PYPL 100 (Weeklys) 3 SEP 21 290 CALL	1,299	205	\$2.85	0.23	26.85%	20.99%	\$383,205	.PYPL210903C290	\$2.90	1477	1.75%
7/30/2021	PYPL 100 (Weeklys) 3 SEP 21 280 CALL	918	52	\$8.29	0.47	27.79%	43.65%	\$761,022	.PYPL210903C280	\$5.51	989	-33.53%
7/30/2021	PYPL 100 (Weeklys) 3 SEP 21 275 CALL	460	11	\$10.65	0.55	28.63%	51.79%	\$489,900	.PYPL210903C275	\$8.00	898	-24.88%
7/28/2021	PYPL 100 20 AUG 21 297.5 CALL	1,212	154	\$12.75	0.57	35.31%	53.66%	\$1,533,180	.PYPL210820C297.5	\$0.58	1068	-95.45%
7/23/2021	PYPL 100 19 NOV 21 240 PUT	1,875	19	\$3.55	-0.102	37.93%	14.66%	\$665,625	.PYPL211119P240	\$6.55	2056	84.51%
7/22/2021	PYPL 100 19 NOV 21 280 PUT	306	57	\$12.05	-0.3	32.54%	36.86%	\$368,730	.PYPL211119P280	\$22.30	595	85.06%
7/19/2021	PYPL 100 20 AUG 21 380 CALL	3,893	225	\$0.26	0.02	43.33%	1.49%	\$109,004	.PYPL210820C380	\$0.05	4399	-80.77%
7/19/2021	PYPL 100 17 SEP 21 310 CALL	3,353	1,745	\$8.45	0.35	31.72%	30.77%	\$2,866,815	.PYPL210917C310	\$1.40	5831	-83.43%
7/15/2021	PYPL 100 18 MAR 22 420 CALL	582	10	\$3.40	0.1	30.59%	6.56%	\$200,790	.PYPL220318C420	\$1.44	599	-57.65%
7/14/2021	PYPL 100 17 SEP 21 300 PUT	1,366	1,220	\$14.70	-0.47	30.03%	52.13%	\$2,055,830	.PYPL210917P300	\$29.62	3849	101.50%
7/12/2021	PYPL 100 (Weeklys) 13 AUG 21 302.5 CALL	351	36	\$10.21	0.48	33.05%	44.30%	\$358,371	.PYPL210813C302.5	\$0.15	603	-98.53%
7/9/2021	PYPL 100 15 OCT 21 260 PUT	1,400	729	\$5.85	-0.19	32.71%	24.19%	\$826,000	.PYPL211015P260	\$8.42	2232	43.93%
6/22/2021	PYPL 100 18 MAR 22 310 CALL	500	99	\$21.00	0.44	31.55%	33.42%	\$1,097,500	.PYPL220318C310	\$12.95	613	-38.33%
6/21/2021	PYPL 100 15 OCT 21 290 PUT	728	140	\$23.04	-0.53	29.98%	59.26%	\$1,699,880	.PYPL211015P290	\$25.00	1805	8.51%
6/18/2021	PYPL 100 17 SEP 21 270 PUT	2,365	851	\$11.80	-0.354	32.27%	41.62%	\$2,790,700	.PYPL210917P270	\$8.90	6234	-24.58%
6/18/2021	PYPL 100 17 SEP 21 270 CALL	2,459	1,983	\$26.15	0.642	34.05%	57.61%	\$6,430,285	.PYPL210917C270	\$12.65	4378	-51.63%
6/17/2021	PYPL 100 21 JAN 22 290 PUT	1,010	422	\$32.80	-0.52	30.40%	61.11%	\$3,312,800	.PYPL220121P290	\$32.30	1941	-1.52%
6/15/2021	PYPL 100 17 JUN 22 290 CALL	1,282	297	\$29.05	0.49	32.34%	36.60%	\$3,724,210	.PYPL220617C290	\$26.10	7566	-10.15%
6/10/2021	PYPL 100 20 AUG 21 250 PUT	1,159	830	\$7.45	-0.29	31.82%	33.54%	\$863,455	.PYPL210820P250	\$0.85	4818	-88.59%
6/10/2021	PYPL 100 20 AUG 21 250 CALL	1,011	452	\$25.95	0.71	32.60%	65.96%	\$2,623,545	.PYPL210820C250	\$22.69	1355	-12.56%
6/4/2021	PYPL 100 18 MAR 22 260 CALL	370	16	\$31.70	0.57	33.65%	45.10%	\$1,200,650	.PYPL220318C260	\$34.90	439	10.09%
6/2/2021	PYPL 100 20 AUG 21 260 PUT	416	191	\$13.39	-0.44	31.65%	49.49%	\$580,320	.PYPL210820P260	\$2.04	4021	-84.76%
6/1/2021	PYPL 100 15 OCT 21 300 CALL	612	437	\$5.80	0.24	30.39%	18.26%	\$379,440	.PYPL211015C300	\$4.89	3223	-15.69%
5/17/2021	PYPL 100 20 AUG 21 220 PUT	1,898	0	\$8.70	-0.27	36.63%	33.88%	\$1,651,260	.PYPL210820P220	\$0.18	2351	-97.93%
5/13/2021	PYPL 100 17 JUN 22 185 PUT	652	134	\$11.40	-0.19	36.62%	30.72%	\$785,660	.PYPL220617P185	\$5.07	622	-55.53%
5/11/2021	PYPL 100 17 SEP 21 250 CALL	1,544	1,887	\$19.50	0.53	34.56%	44.41%	\$3,049,400	.PYPL210917C250	\$26.09	3478	33.79%
5/10/2021	PYPL 100 17 SEP 21 340 CALL	2,373	222	\$1.45	0.07	34.17%	4.90%	\$384,426	.PYPL210917C340	\$0.34	2931	-76.55%

Potential Catalysts: No Specific Catalysts

Disclaimer:

Not Investment Advice or Recommendation

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